

# FISCAL NOTE - CAPTION BILL

## HB 158 - SB 1064

May 7, 1999

**CAPTION BILL:** Fiscal note reflects amendment filed to lift bill from House Clerk's desk (#006101).

**SUMMARY OF BILL:** The bill increases the tax levied on the following items as shown below:

<u>Product</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Cigarettes	6.5 Mills (13 cents per pack of 20)	12.5 Mills (25 cents per pack of 20)
Tobacco Products	6% of the wholesale price	11.5% of the wholesale price

### ESTIMATED FISCAL IMPACT:

**Increase State Revenues - Net Impact - \$15,833,700**

**Decrease Local Govt. Revenues - Net Impact - \$8,693,600**

Estimate assumes:

- A 25% decrease in sales of cigarettes and tobacco products in Tennessee from passage of the bill.
- A decrease in state and local government revenues based on decreased sales tax revenues resulting from fewer in-state sales of cigarettes and tobacco products.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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